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PORTUGAL: THE REVOLUTIONARY COUNCIL HAS ANNOUNCED THAT A NEW GOVERNMENT WILL BE INSTALLED IN LISBON TODAY.Y

SOCIALIST LEADER SOARES HAS DESCRIBED THE MAKEUP OF THE CABINET AS A "HUMILIATING DEFEAT FOR THE COMMUNISTS." ALTHOUGH ONLY HALF THE POSTS HAVE BEEN ALLOTTED TO MEMBERS OF THE THREE. MAJOR POLITICAL PARTIES, MOST OF THE MILITARY AND CIVILIAN APPOINTEES ARE EXPECTED TO FOLLOW THE SOCIALISTS IN POLICY MATTERS.Y

EARLIER INFORMATION INDICATED THAT NEGOTIATIONS HAD BEEN HUNG UP ON THE POPULAR DEMOCRATS' REFUSAL OF THE COMMUNISTS' DEMANDS THAT THE TWO PARTIES BE GIVEN EQUAL REPRESENTATION. APPARENTLY THE POPULAR DEMOCRATS WERE MOLLIFIED BY PROMISES OF INCREASED REPRESENTATION IN THE SUBCABINET . Y

THE COMMUNISTS HAVE ALREADY BEGUN TO CRITICIZE THE NEW B CABINET. THE PARTY WEEKLY AVANTE CLAIMED COMMUNIST PARTICIPATION ₹WAS NECHMESSARY TO PREVENT THE FORMATION OF AN TOPMENLY RIGHTIST GOVERNMENT." THE PAPER LEFT OPEN THE POSSIBILITY OF A COMMUNIST.

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WITHDRAWAL IF GOVERNMENT POLICIES ARE NOT TO THEIR SATISFACTION. IT PROMISED THAT THE PARTY WILL VIEW ITS CABINET ROLE AS A "COMBAT 4".T209

THE COMMUNIST-DOMINATED PORTUGUESE DEMOCRATIC MOVEMENT-WHICH HAS BEEN REPRESENTED IN THE LAST TWO CABINETS DESPITE MEAGER POPULAR SUPPORT-HAS SCHEDULED A RALLY AGAINST THE GOVERNMENT FOR SEPTEMBER 28, THE FIRST ANNIVERSARY OF THE OURSTER OF FORMER 25X1 PRESIDENT SPINO'A.

USSR: LENINGRAD, WHOSE CITY FATHERS HAVE USUALLY BEEN TOUGH ON NONCONFORMIST CULTURAL ACTIVITY, IS CURRENTLY HAVING ITS SECOND SUCCESSFUL EXHIBIT OF LOCAL NONCONFORMIST ART IN AS MANY YEARS. THE OPENING OF THE OFFICIALLY SANCTIONED SHOW ON SEP-TEMBER LO WAS MARRED ONLY BY THE PRIVATE PROTESTS OF THREE ARTISTS WHO WERE BARRED BY AUTHORITIES FROM EXHIBITING THEIR WORK.Y

WESTERNESS WHO VISITED THE SHOW LAST SATURDAY REPORT THAT THE LOCAL ARTISTS ARE PLEASED

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WITH THE EXHIBIT ARRANGEMENTS AND REGARD ITS SUCCESS SO FAR AS A GOOD OMEN FOR A SIMILAR, BUT
LARGER, TEN-DAY SHOW SCHEDULED TO OPEN IN MOSCOW ON
SATURDAY.4

EARLY NEGOTIATIONS BETWEEN THE LENINGRAD ARTISTS AND THE MUNICIPAL AUTHORITIES WERE NOT ACCOMPANIED BY THE SAME RANCOR AND MUTUAL THREATS AS
LAST YEAR, AND THE SIZE AND LOCATION OF EXHIBIT
FACILITIES ARE BETTER; BB ARTISTS ARE PARTICIPATING
IN CONTRAST WITH 5D A YEAR AGO.Y

ALTHOUGH THE ARTISTS--ONLY ONE OF WHOM IS A MEMBER OF THE ARTISTS' UNION--WERE NOT ALLOWED TO A VERTISE, LENINGRAD RADIO MENTIONED THE EXHIBIT THREE DAYS BEFORE IT OPENED. THE SOVIET MEDIA SELDOM GIVE ADVANCE NOTICE OF A NONCONFORMIST EXHIBIT.Y

THE ART EXHIBITED IS PREDOMINANTLY SUPREALIST

AND ABSTRACT, ALTHOUGH THERE ARE ALSO REALISTIC WORKS

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THAT FALL SHORT OF THE OFFICIALLY DESIRED "SOCIALIST REALISM." NO PRIOR CENSORSHIP OF THE EXHIBITS
WAS REQUIRED, SAVE FOR A BAN ON "ANTI-SOVIET,"
RELIGIOUS, AND "PORNOGRAPHIC" ART. SEVERAL OF THE
WORKS, NEVERTHELESS, REPORTEDLY SHOW SUBTLE RELIGIOUS AND JEWISH THEMES.Y

THE OPENING WAS ATTENDED BY A SMALL, BUT ENTHUSIASTIC CROWD OF LENINGRAD AND MOSCOW INTELLECTUALS AND A HANDFUL OF FOREIGN DIPLOMATS. DESPITE
HEAVY POLICE SURVEILLANCE AND STRICT CONTROL, ATTENDANCE INCREASED TO OVER 3,700 PERSONS ON THE
THIRD DAY OF THE EXHIBIT.Y

ALTHOUGH LOCAL AUTHORITIES NEGOTIATED THE ARRANGEMENTS FOR BOTH SHOWS. THE GO-AHEAD FOR BOTH
THE MOSCOW AND LENINGRAD SHOWS PROBABLY ORIGINATED
IN THE CENTRAL COMMITTEE OF THE SOVIET COMMUNIST
PARTY. THE REGIME EVIDENTLY DECIDED TO PERMIT THE
EXHIBITS IN ORDER TO AVOID A REPEAT OF THE ANTI-

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THE ABORTED MOSCOW ART SHOW ON SEPTEMBER 15 LAST
YEAR.

3. BULGARIA: THE GROWING "PERSONALITY CULT" SURROUNDING PARTY AND STATE CHIEF TODOR ZHIVKOV IS BECOMING INCREASINGLY EVIDENT. 4

ZHIVKOV RECENTLY WAS HOST AT AN ALL-PAY SIGHTSEEING TOUR TO HIS NATIVE VILLAGE OF PRAVETS FOR AMBASSADORS ACCREDITED TO SOFIA. AFTER BEING TREATED
TO THE USUAL FARE OF FACTORIES AND MODEL FARMS. THE
GROUP VISITED ZHIVKOY'S BIRTHPLACE--NOW ENSHRINED
IN A SMALL PARK.Y

MOST REMARKABLE WAS A "PLEASURE DOME" FOR FORMAL

OCCASIONS AT THE VILLAGE MOTEL. THE PAGODA-SHAPED FACILITY

REPOSES IN THE MIDDLE OF AN ARTIFICIAL LAKE. ON THE INSIDE.

"ENORMOUS SILK CANOPIES CASCADE FROM ITS PEAK." ZHIVKOV

PROBABLY DREW INSPIRATION FROM HIS VISIT LAST NOVEMBER TO

IRAN, WHERE HE VIEWED THE SHAH'S FACILITIES FOR VISITING

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ROYALTY AT PERSEPOLIS. ZHIVKOV SHOWED NO EMBARRASSMENT THAT HIS BIRTHPLACE HAS BEEN

TRANSFORMED INTO A SHRINE DURING HIS LIFETIME.Y

ZHIVKOV WOULD LIKE TO CAPITALIZE ON HIS ROLE AS THE DEAN OF EASTERN EUROPE'S RULING PARTY CHIEFS. HE HAS BEEN MAKING MORE FREQUENT VISITS TO FOREIGN CAPITALS AND HAS SENT HIS FOREIGN MINISTER ON NUM-EROUS FOREIGN EXCURSIONS. REFERENCES IN THE PRESS TO ZHIVKOV'S "PERSONAL CONTRIBUTION" TO IMPROVED BALKAN COOPERATION AND DETENTE HAVE GROWN, AND MEDIA COVERAGE OF ZHIVKOV'S ACTIVITIES AND THOSE OF HIS DAUGHTER, LYDUMILA, WHO HOLDS A GOVERNMENT POST WITH MINISTERIAL RANK, HAS INCREASED.Y

ALTHOUGH ZHIVKOV'S CULT OF FERSONALITY IS UN-LIKELY TO MATCH THAT OF ROMANIA'S CEAUSESCU, HIS IN-' CREASING VISIBILITY IS NONETHELESS AN ODDITY IN SOFIA. THE PROMOTION OF HIS DAUGHTER TO A HIGH POST MAY EVOKE CHARGES OF NEPOTISM AND COULD INTENSIFY

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| | LI PYILES T | | | | | |
| | STRAINS WITHIN THE LEADERSHIP. BULGARIA'S NATION- | | | | | |
| | ALISTS, HOWEVER, MAY VIEW ZHIVKOV'S GREATER PROMINENCE | 051/4 | | | | |
| | AS A SMALL SHOW OF INDEPENDENCE FROM MOSCOW. | 25X1 | | | | |
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| | 4. CZECHOSLOVAKIA: THE RECENT RELEASE OF MIROSLAV MOC AS | | | | | |
| | EDITOR IN CHIEF OF THE PARTY DAILY, RUDE PRAVO, MAY | | | | | |
| | PRESAGE A TOUGHER IDEOLOGICAL TONE IN CZECHOSLOVAK | | | | | |
| | MEDIA-Y | | | | | |
| | MOC'S REPLACEMENT IS OLDRICH SVESTKA, THE | | | | | |
| | PARTYDemum'S MEDIA OVERLORD AND A VETERAN HARD LINER. | | | | | |
| | MOC IS LISTED AS BEING "ENTRUSTED WITH THE DIREC- | | | | | |
| | TION" OF THE PAPER, RATHER THAN AS CHIEF EDITOR, | | | | | |
| | AND MAY BE SERVING IN AN INTERIM CAPACITY. HE | | | | | |
| | CAN NEVERTHELESS BE EXPECTED TO CRACK THE | | | | | |
| | DIDEOLOGICAL WHIP, AND THERE SEEMS LITTLE DOUBT | | | | | |
| | THAT RUDE PRAVO WILL EVEN MORE CLOSELY REFLECT | | | | | |
| | THE VIEW FROM THE KREMLIN.Y | | | | | |
| | MOC'S REMOVAL COINCIDES WITH INCREASING | • | | | | |

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EVIDENCE THAT THE PARTY LEADERSHIP IS DISSATISFIED WITH THE MASS MEDIA. IN THE AUGUST 27 EDITION OF THE PARTY WEEKLY, TVORBA, FOR INSTANCE, THE HEAD OF THE PARTY'S PROPAGANDA AND AGITATION DEPARTMENT, VASIL BEJDA, COMPLAINED OF "NUMEROUS PROBLEMS AND SHORTCOMINGS STILL FOUND IN THE ACTIVITY OF MANY MASS INFORMATION MEDIA." HIS INDICTMENT OF STEREOTYPED JOURNALISM WITH "MERE ENUMERATION AND DESCRIPTION WITHOUT AN EDITORIAL BOARD'S CRITICAL AND CREATIVE APPROACH" WAS CLEARLY AIMED AT THE MEDIA LEADERSHIP.

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5. YUGOSLAVIA: AN EXPLOSION BLEW OUT WINDOWS OF A MAJOR BANK IN ZAGREB WEDNESDAY AFTERNOON. THE BANK IS LOCATED ABOUT A HUNDRED YARDS FROM A ROUTE USED BY PRESIDENT TITO THE SAME DAY.Y

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APPARENTLY HAS LAUNCHED A COUNTER OFFENSIVE TO RETAKE CAXITO, WHICH

IT WAS FORCED TO SURRENDER TO THE POPULAR MOVEMENT FOR THE

LIBERATION OF ANGOLA TWO WEEKS AGO. Y

INFORMATION ON THE FIGHTING IS SKETCHY. PORTUGUESE MILITARY

OFFICIALS IN LUANDA ANNOUNCED ON WEDNESDAY NIGHT ONLY THAT

CLASHES BETWEEN THE TWO GROUPS WERE TAKING PLACE "NORTH OF THE

CAXITO - BARRA DO DANDE FRONT." BOTH LIBERATION GROUPS ARE

CLAIMING SIGNIFICANT VICTORIES IN THE AREA.Y

ALTHOUGH THE PRESENT LEVEL OF FIGHTING IS UNCLEAR, IT IS

VERY LIKELY TO BECOME ONE OF THE MOST SERIOUS MILITARY CAMPAIGNS

TO TAKE PLACE IN THE TERRITORY. THE NATIONAL FRONT HAS BEEN PUSHED

FARTHER AND FARTHER NORTH AND IS VIRTUALLY FIGHTING FOR ITS SURVIVAL.

WITH LESS THAN TWO MONTHS BEFORE ANGULA IS GRANTED INDEPENDENCE. THE

NATIONAL FRONT MUST MOVE RAPIDLY AND STRONGLY TO RESTORE ITS MILITAR'

CREDIBILITY WITH THE PORTUGUESE AND THE POPULAR MOVEMENT AS

LEVERAGE IN OBTAINING A POLITICAL ROLE IN THE INDEPENDENT

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GOVERNMENT. THE RECAPTURE OF CAXITO IS VITAL TO THIS EFFORT.Y

THE POPULAR MOVEMENT OF COURSE IS MAKING A DETERMINED EFFORT
TO SHOW THAT IT IS THE ONLY NATIONALIST GROUP CAPABLE OF PUNNING
THE TERRITORY. IT CANNOT AFFORD TO LET THE FRONT MAKE EVEN
MINIMAL GAINS. IT MAY NOW FEEL CONSTRAINED TO DIRECT ITS EFFORTS
TOWARD PUSHING THE NATIONAL FRONT OUT OF ANGOLA ENTIRELY.

2. ZAIRE: PUBLIC CONFIDENCE IN PRESIDENT MOBUTU'S LEADERSHIP
IS PLUMMETING AT A TIME WHEN ZAIRE-S ECONOMIC AND SOCIAL PROBLEMS
ARE SHARPLY ESCALATING AND THAT THE PRESIDENT SEEMS TO BE
APPROACHING A MAJOR POLITICAL CRISIS THAT WILL SERIOUSLY TEST
HIS STAYING POWER-Y

ZAIRE IS CAUGHT BETWEEN ITS GROWING NEED FOR FOREIGN GOODS

AND SERVICES AND A SERIOUS SLUMP IN THE WORLD PRICE OF COPPER.

COPPER EXPORTS ACCOUNT FOR L5 PERCENT OF THE COUNTRY'S FOREIGN

EXCHANGE. MOBUTU'S ATTEMPTS TO DEAL WITH HIS FISCAL PROBLEMS

BY SEEKING SHORT-TERM RELIEF IN THE FORM OF LOANS FROM ARAB

STATES. FRANCE. AND WEST GERMANY HAVE HELPED TO SCARE OFF MANY

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POTENTIAL LONG-TERM FINANCIAL BACKERS.Y

AFTER LONG RESISTANCE, MOBUTU HAS FINALLY AGREED TO ACCEPT A NUMBER OF MEASURES DEEMED NECESSARY BY THE INTERNATIONAL MONETARY FUND TO REVIVE ZAIRE'S ECONOMY. IT WILL BE SOME TIME, HOWEVER, DEFORE THESE MEASURES, IF THEY ARE ACTUALLY IMPLEMENTED, TAKE EFFECT.Y

LATE LAST MONTH, MOBUTU ANNOUNCED SEVERE WAGE CUTS THAT HIT HARDEST AT UPPER INCOME BRACKETS BUT WERE ALSO RESENTED BY LOW-INCOME WORKERS WHO HAS BEEN ANTICIPATING RAISES. THE RESULT WAS A SERIES OF WILDCAT STRIKES IN KINSHASA'S LIGHT INDUSTRIES AND ESSENTIAL SERVICES. MOBUTU SUBSEQUENTLY SOUGHT TO MAKE AMENDS BY CUTTING RENTS FOR LOW-INCOME FAMILIES, A DECISION THAT WAS DERIDED BY THE POPULACE WHICH NOW FACES AN ANNUAL INFLATION RATE APPROACHING 40 PERCENT. NOST ZAIRIANS REPORTEDLY NOW BELIEVE THAT MOBUTU IS NO LONGER ABLE TO COPE WITH ZAIRE'S PROBLEMS. POPULAR CRITICISH OF HIM, ONCE EXPRESSED WITH THE UTMOST DISCRETION, IS NOW BEING VOICED OPENLY, EVEN IN THE PRESENCE OF THE MILITARY, MOBUTU'S PRINCIPAL POWER BASE.Y

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ZAIRE'S HEALTH, WELFARE, AND PRIMARY EDUCATION PROGRAMS,
LARGELY SUPPORTED BY THE CATHOLIC CHURCH, ARE OPERATING UNDER
HEAVY PRESSURES BROUGHT ON BY THE GOVERNMENT'S ALMOST CONSTANT
SNIPING AT THE CHURCH AS AN OUTMODED INSTRUMENT OF COLONIALISM.
THE CAMPAIGN HAS ANTAGONIZED THE COUNTRY'S CATHOLICS, WHO
MAKE UP HALF OF THE POPULATION OF 25 MILLION. Y

ANOTHER CONTROVERSIAL MOVE HAS BEEN THE RECENTLY IMPLEMENTED PROGRAM TO DRAFT UNEMPLOYED MALES INTO THE ARMY. ALTHOUGH THE MOVE WAS PROBABLY MOTIVATED BY A DESIRE TO GET POTENTIAL TROUBLEMAKERS OFF THE STREETS. IT IS BEING WIDELY INTERPRETED AS A WAY OF PROVIDING CANNON FODDER FOR A POSSIBLE MILITARY ADVENTURE INTO ANGOLA.4

THE SECRECY THAT CLOAKED THE RECENT TRIAL OF ARMY OFFICERS AND ENLISTED MEN CHARGED WITH PLOTTING AGAINST MOBUTU AND THE SUBSEQUENT DEATH OF THE TRIAL JUDGE IN A HELICOPTER CRASH HAVE ADDED TO PUBLIC RESTIVENESS. THE PURGES SPARKED TRIBAL TENSIONS WITHIN THE ARMY, AND THE RECENT IMPRESSMENT OF LARGE NUMBERS OF CIVILIANS INTO ITS RANKS IS LIKELY TO INCREASE THE ARMY'S SENSE

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| 3∧ I | F PRESENT ECONOMIC AGGRAVATIONS CONTINUE | |
| | OR IF HE PLACES FURTHER STRAINS ON THE ECONOMY BY ATTEMPTING | |
| | TO SUPPORT A SUSTAINED MILITARY EFFORT BY THE NATIONAL FRONT FO |) R |
| | THE LIBERATION OF ANGOLA-THE NATIONALIST GROUP MOBUTU BACKS-HE | |
| | WILL FACE FURTHER PUBLIC UNREST AND RISK PROVOKING THE ARMY TO | 25X1 |
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LAST WEEKEND, REORGANIZED THE ARGENTINE CABINET ON SEPTEMBER 15, AND HIS DECISIVENESS IS HAVING A POSITIVE POLITICAL IMPACT AFTER THE DRIFT UNDER THE NEW-ABSENT PRESIDENT. FURTHER CHANGES IN THE CABINET AND IN THE LEADERSHIP OF THE PERONIST LABOR MOVEMENT ARE LIKELY.

LUDER APPARENTLY FORCED THE RESIGNATION OF THE CONTROVERSIAL INTERIOR MINISTER, VICENTE DAMASCO, AND THEN REMOVED PRESIDENT MARIA ESTELA PERON'S PRIVATE SECRETARY. 4

THE REPLACEMENT OF THESE INDIVIDUALS, WHO WERE CLOSE TO

PERON, UNDERLINES THE SHIFT IN AUTHORITY TO MORE FOLITICALLY REP
RESENTATIVE FIGURES--NOT ONLY LUDER, BUT ALSO THE NEW APPOINTEES.Y

THE NEW INTERIOR MINISTER, ANGEL ROBLEDO, IS EXPECTED TO MOVE QUICKLY TO STRENGTHEN HIS ALREADY GOOD RELATIONS WITH THE OPPOSITION PARTIES AND WITH POLITICAL GROUPS WHOSE TIES WITH THE GOVERNMENT HAVE BECOME INCREASINGLY STRAINED UNDER PERON-Y

LUDER HAS ALSO REMOVED THE FEDERALLY APPOINTED CHIEF

ADMINISTRATOR OF CORDOBA PROVINCE, RAUL LACABANNE, AN EXTREME RIGHT

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| WINGER- THE MOVE APPEARS DESIGNED TO EASE POLITICAL STRIFE IN THE | | | | | |
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| PROVINCE AND TO DEMONSTRATE THE LUDER TEAM'S INTEREST IN COMPROMISE 25X1 | | | | | |
| AND CONZENZUZ.A | | | | | |
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| MOST POLITICAL OBSERVERS AGREE THAT THE MINISTERS OF LABOR, | | | | | |
| SOCIAL WELFARE, AND EDUCATION WILL BE CHANGED SOON AND THAT LUDER | | | | | |
| FAVORS THE REMOVAL OF LABOR LEADER LORENZO MIGUEL, WHO HAS BEEN AN | | | | | |
| ALLY OF PERON IN RECENT DISPUTES-Y | | | | | |
| HIGH MILITARY OFFICERS, WHO REPORTEDLY PRESSURED PERON TO | | | | | |
| TAKE THE 45-DAY VACATION, BELIEVE THAT HER ABSENCE WILL GIVE THE | | | | | |
| 58-YEAR-OLD LUDER A CHANCE TO DEMONSTRATE THAT THE TRANSFER OF | | | | | |
| EXECUTIVE AUTHORITY NEED NOT BE UNRULY.Y | | | | | |
| THE OFFICERS PROBABLY HOPE THAT LUDER WILL DEVELOP INTO A | | | | | |
| 25X1 SUFFICIENTLY ATTRACTIVE ALTERNATIVE TO PRESIDENT PERON TO LESSEN THE | | | | | |
| NEED FOR MILITARY INTERVENTION SHOULD SHE STEP DOWN. | | | | | |
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//PANAMA: BRIEF BUT PEACEFUL DEMONSTRATIONS NEAR THE US

EMBASSY AND IN THE CANAL ZONE ON SEPTEMBER 17 WERE INTENDED TO

REGISTER PANAMANIAN DISPLEASURE OVER PRESS REPORTS OF RECENT REMARKS

BY SECRETARY KISSINGER CONCERNING THE US POSITION ON CANAL DEFENSE - 1/4

| //SOME 40 | MEMBERS | 0F | THE | TRANSPORT | WORKERS | UNION |
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CARRIED

OUT THE PROTEST, WHICH LASTED LESS THAN AN HOUR. ONE GROUP OF DEMONSTRATORS TOLD EMBASSY OFFICIALS THEY WERE PROTESTING THE SECRETARY'S REMARKS THAT THE US SHOULD RETAIN ITS RIGHT TO DEFEND THE WATERWAY UNILATERALLY FOR AN INDEFINITE PERIOD. PANAMA WANTS GRADUALLY TO ASSUME THAT FUNCTION UNTIL GAINING COMPLETE CONTROL BY THE END OF THE CENTURY.//

//US TREATY NEGOTIATOR BUNKER'S CLARIFICATION OF THESE REMARKS
ON THE EVE OF HIS RETURN TO THE US ON SEPTEMBER 17 MAY ASSUAGE
PANAMANIAN OFFICIALS. HE POINTED OUT THAT THE PRESS HAD DISTORTED
THE SECRETARY'S REMARKS. AND HE REFORMULATED THE US POSITION ON CANAL
DEFENSE IN A WAY PROBABLY ACCEPTABLE TO THE PANAMANIANS. NEVERTHE—
LESS. BUNKER WAS GIVEN A COOL SENDOFF AT THE AIRPORT BY PANAMA'S

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CHIEF NEGOTIATOR. ON SEPTEMBER 18, 300 TO 500 STUDENTS CARRIED OUT A PEACEFUL MARCH INTO THE ZONE AND ALSO DEMONSTRATED AT THE FOREIGN MINISTRY.//Y

//PANAMANIAN FRUSTRATIONS OVER THE LACK OF PROGRESS IN THE NEGOTIATIONS AND SENSITIVITIES OVER CANAL DEFENSE AND OTHER DELICATE ISSUES PROBABLY WILL LEAD TO MORE DEMONSTRATIONS IN THE NEAR FUTURE. OCTOBER 11, THE ANNIVERSARY OF THE 1968 "REVOLUTION," WILL BE A PARTICULARLY ATTRACTIVE OPPORTUNITY FOR THE GOVERNMENT TO RALLY SUPPORT BY CRITICIZING THE US. PLANNING FOR THE CEREMONIES SUGGESTS 25X1 THEY WILL BE THE LARGEST AND MOST ELABORATE SINCE THE MASSIVE,

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| CANAL-FOCUSED | RALLY OF | 1971. | | |
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I. NORTH VIETNAM: PARTY FIRST SECRETARY LE DUAN'S UPCOMING VISIT TO CHINA WILL PROVIDE THE FIRST OPPORTUNITY FOR FORMAL TOP-LEVEL DISCUSSIONS ON SINO-VIETNAMESE RELATIONS SINCE THE COMMUNIST VICTORY IN SOUTH VIETNAM.Y

ACCORDING TO A COMMUNIQUE RELEASED ON THURSDAY BY THE NORTH VIETNAMESE FOREIGN MINISTRY, LE DUAN WILL SOON PAY AN "OFFICIAL FRIENDLY VISIT" TO CHINA AS HEAD OF A PARTY AND GOVERNMENT DELEGATION. NORTH VIETNAM PROBABLY HAS SET AMBITIOUS GOALS FOR RECONSTRUCTION AND DEVELOPMENT OVER THE NEXT FEW YEARS, AND IT SEEMS LIKELY THAT THE QUESTION OF FUTURE CHINESE ECONOMIC ASSISTANCE WILL FIGURE HIGH ON THE AGENDA. A NORTH VIETNAMESE TRADE OFFICIAL HAS BEEN IN PEKING FOR THE PAST MONTH NEGOTIATING THE TERMS OF NEXT YEAR'S TRADE AND AID PACKAGE. THE AGREEMENT PROBABLY WILL BE READY FOR SIGNATURE BY LE DUAN, WITH APPROPRIATE. FANFARE.Y

LE DUAN AND THE CHINESE UNDOUBTEDLY WILL ALSO BE DISCUSSING POSTWAR POLITICAL DEVELOPMENTS IN INDOCHINA AND THE REST OF

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SOUTHEAST ASIA. BOTH SIDES' ASPIRATIONS FOR INFLUENCE IN THE REGION ALREADY APPEAR TO HAVE GIVEN RISE TO INCREASED FRICTION BETWEEN THE TWO COUNTRIES.Y

IN LINE WITH HANOI'S POLICY OF STEERING A MIDDLE COURSE
IN THE SINO-SOVIET RIVALRY, IT IS ALMOST CERTAIN THAT LE DUAN
WILL ALSO TRAVEL TO THE USSR, POSSIBLY IMMEDIATELY FOLLOWING HIS
TRIP TO PEKING. MOSCOW RADIO IN LATE AUGUST STATED THAT A NORTH
VIETNAMESE PARTY-GOVERNMENT DELEGATION WOULD ARRIVE IN THE USSR
"IN SEPTEMBER." THE BROADCAST STRONGLY IMPLIED THAT THE VISIT
WOULD BE USED FOR THE SIGNING OF A NEW ECONOMIC AGREEMENT FOR
1976.

COMMUNISTS HAD ONLY LIMITED FOREIGN CONTACTS OUTSIDE OF THE RELATIONSHIP WITH THEIR CHINESE AND VIETNAMESE ALLIES. LAST MONTHANDEVER, THE NEW CAMBODIAN LEADERSHIP TOOK A MAJOR STEP JT OF ITS NEAR ISOLATION BY ATTENDING THE NONALIGNED FOREIGN MINISTERS' CONFERENCE IN LIMA. THERE ARE NOW ADDITIONAL SIGNS THAT PHNOM PENH WISHES TO BROADEN ITS INTERNATIONAL CONTACTS.

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ON SEPTEMBER 16, DEPUTY PRIME MINISTER FOR FOREIGN

AFFAIRS IENG SARY TOLD NEWSMEN IN PARIS THAT HE WANTED TO

NORMALIZE CAMBODIAN-FRENCH RELATIONS "IN THE NEAR FUTURE."

SARY WAS IN PARIS EN ROUTE HOME FROM NEW YORK, WHERE HE

ATTENDED THE SPECIAL UN GENERAL ASSEMBLY SESSION."

CONTACTS WITH CERTAIN LATIN AMERICAN COUNTRIES. ON HIS WAY

TO PART , IENG SARY PAID A FOUR-DAY VISIT TO CUBA AND THEN

STOPPED BRIEFLY IN MEXICO ON SEPTEMBER 12 AND 13 WHERE HE MET

WITH PRESIDENT ECHEVERRIA AND AGREED TO HOLD FORMAL TALKS

BEFORE THE END OF SEPTEMBER TO ESTABLISH DIPLOMATIC RELATIONS.Y

THERE HAS ALSO BEEN SOME PROGRESS IN THE DEVELOPMENT OF

CAMBODIAN-THAI RELATIONS. IENG SARY MET WITH THE THAI AMBASSADOR

TO THE US ON SEPTEMBER 3. THE FIRST SIGNIFICANT MEETING SINCE

THE LOW-LEVEL BORDER TALKS IN LATE JULY. THE LAMBODIANS MAY BE

READY TO HOLD FURTHER TALKS AT THE MINISTERIAL LEVEL AND TO

DISCUSS A GOVERNMENT-TO-GOVERNMENT TRADE AGREEMENT TO OBTAIN

MUCH-NEEDED RICE AND PETROLEUM PRODUCTS.Y

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RELEASING OFFICER

IP PILES

THE CAMBODIANS WILL PROCEED CAUTIOUSLY IN WORKING OUT
THEIR RELATIONSHIP WITH THE USSR. TIES BETWEEN MOSCOW AND
THE KHMER COMMUNISTS HAVE BEEN STRAINED AND TENUOUS. AS INDICATED
BY MOSCOW'S REFUSAL TO BREAK RELATIONS WITH THE LON NOL
GOVERNMENT UNTIL THE LAST DAYS OF THE WAR. ALTHOUGH DEPUTY
PRIME MINISTER KHIEU SAMPHAN AND PRINCE SIHANOUK MET WITH
SOVIET REPRESENTATIVES IN HANOI IN EARLY SEPTEMBER. THERE HAS
BEEN NO INDICATION THAT THE DIALOGUE WILL BE CONTINUED IN THE
NEAR FUTURE.Y

CHINA, WHICH HAS PUBLICIZED IENG SARY'S RECENT

TRAVELS, NO DOUBT SUPPORTS CAMBODIA'S STEPS TOWARD A MORE

ACTIVE AND NORMAL DIPLOMACY. PEKING, HOWEVER, CAN BE EXPECTED

TO USE ITS CONSIDERABLE INFLUENCE IN PHNOM PENH TO ARGUE

AGAINST ANY RAPID OR SIGNIFICANT MOVES TOWARD RAPPROCHEMENT

WITH MOSCOW.

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